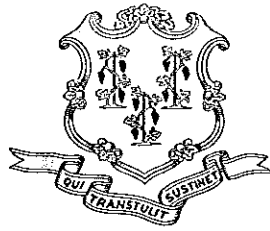


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Good afternoon Senator Crisco, Representative Fontana and members of the Insurance and Real Estate Committee. Last year I distributed an article from the New York Times regarding the difficulty created by the high cost of biologic prescription drugs. Current therapies for cancer and a number of chronic diseases can include biologics/biopharmaceuticals. These drugs have revolutionized care for some diseases and have offered many patients literally a new lease on life. However, these drugs tend to be extraordinarily expensive. Many of the drugs come in pill form and thus are covered as prescription drugs rather than as medical expenses. Many health plans would cover 100% of an IV infusion but only a percentage of a prescription drug. Thus, if the biologic/biopharmaceutical cost was \$5000 per month and the patient had a plan that paid 80% of prescription drug costs, that patient would have to pay \$12,000 per year out of pocket, while the out of pocket cost if the procedure was an IV infusion would be \$0. This seems an absurd result since oral drugs would seem to save the health system time as well as money. These new drugs are making many diseases manageable but it would appear that the practice of medicine and our healthcare system have not caught up with the power and convenience of these new drugs.

(over)

I appreciate that the Insurance and Real Estate Committee has raised this issue in SB 50, *AN ACT CONCERNING ORAL CHEMOTHERAPY TREATMENTS*; I would encourage that the language in this bill be extended to address other diseases in addition to cancer and that it be made clear that the intent of the bill is to address the highly expensive biologic drugs. Oregon has taken an approach that may not be the best one. That state now requires that insurers provide equivalent reimbursement for oral and intravenous chemotherapy drugs for cancer patients. The problem with this legislation is that cancer is not the only disease which is now treated with biologics/biopharmaceuticals. One approach would be to require that biologics/biopharmaceuticals be covered as medical treatment rather than as prescription drugs.

My suggestion for the language is:

**“A health benefit plan that provides coverage for cancer chemotherapy treatment or biologic drugs for serious, life-threatening or degenerative disease must provide coverage for a prescribed, orally administered biologic medication on a basis no less favorable than intravenously administered or injected medications that are covered as medical benefits.”**

Thank you for addressing this important issue.